IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O. O. C. J.

COMPANY PETITION NO.630 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO.769 OF 2006

In the matter of Scheme of Arrangement and Amalgamation between In House Productions Private Limited and In House Creations Private Limited and Vans Information Limited and their respective members and creditors

In House Production Private Limited ..Petitioner.
Vs.
Gupta Paints and Hardware Stores ..Creditors.

WITH

COMPANY PETITION NO.631 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO.770 OF 2006

In the matter of Scheme of Arrangement and Amalgamation between In House Productions Private Limited and In House Creations Private Limited and Vans Information Limited and their respective members and creditors

In House Creations Private Limited ..Petitioner.

WITH

COMPANY PETITION NO.632 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO.771 OF 2006

In the matter of Scheme of Arrangement and Amalgamation between In House Productions Private Limited and In House Creations Private Limited and Vans Information Limited and their respective members and creditors

Vans Information Limited ..Petitioner.

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Mr. V. Ayyar with Ms. Shefali Rane with Mr. Amit Vyas i/b Rajani Associates for the Petitioner.

Mr. Umang Jain with Mr. Bharat Manubarwala i/b M/s. A. Bharat & Co. for the Creditors i.e. Gupta Paints and Hardware Stores.

Mr. C.J. Joy i/b Pankaj Kapoor for the Regional Director.

Ms. K.V. Gautam, Dy. Official Liquidator present.

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CORAM: **DR. D.Y. CHANDRACHUD, J.**

16th March, 2007.

P.C. :

1. The sanction of the Court is sought under Section 391 read with Section 394 of the Companies Act, 1956 to a scheme of arrangement and amalgamation. The Petitioner in Company Petition 630 of 2006 is referred to as a demerged company. The Petitioner in Company Petition 631 of 2006 is referred to as the transferee company. The demerged company has two divisions, a Content Division and a Studio Division. The Content Division

upon demerger is to stand vested in the transferor company. The scheme envisages a further transfer of the undertaking of the transferor company to the transferee company.

2. In so far as the statutory compliances are concerned, the position is as follows :

Company Petition 630 of 2006

By an order dated 21st July, 2006, the meeting of the equity shareholders was dispensed with since all the shareholders had given their consent. Similarly, since the secured creditors had also granted their consent, the meeting of the secured creditors was dispensed with. Individual notices were undertaken to be served on the unsecured creditors. Clause 5 of the order dated 21st July, 2006 provides that since a reduction in the share capital was proposed, the Petitioner undertook to hold an extra-ordinary general meeting of the shareholders for passing a special resolution.

Company Petition 631 of 2006

By an order dated 21st July, 2006 passed in terms of Minutes, a meeting of the equity shareholders was dispensed with since the shareholders have indicated their consent. There was no secured creditor and an individual notice was to be served on the unsecured creditors.

Company Petition 632 of 2006

In the Petition it has been stated that in pursuance of the order passed by the Court on 21st July, 2004, a meeting of the equity shareholders was held. 25 of the equity shareholders representing 96% in number and holding 97% in value voted in favour of the scheme of arrangement and amalgamation on 25th August, 2006. Only one equity shareholder representing 4% in number and holding 3% in value voted against the resolution. 23 equity shareholders representing 100% in number and value voted in favour of the special resolution for reduction in the equity share capital.

3. In Company Petition 630 0f 2006, a special resolution

was passed at an extra-ordinary general meeting of the shareholders held on 7th September, 2006 approving the reduction of the paid up share capital. The Regional Director has raised two requisitions during the course of the hearing. The first requisition is that there would be a change in the name of the demerged company and of the transferee company for which compliance would be necessary under Sections 391 and 394 of the Companies Act, 1956. Counsel appearing for the demerged company and the transferee company undertakes to file the relevant forms in compliance with law. The second requisition is that the registered office of the transferee company is to be changed in which event compliance with Section 146 of the Companies Act is mandatory. Counsel appearing for the company undertakes that necessary compliances will be met as required in law. The undertakings are accepted.

4. The only objection to the proposed scheme of amalgamation has been raised by an unsecured creditor by the name of Mr. N.D. Gupta. The objection is on the ground that there

is an outstanding due to this unsecured creditor in the amount of Rs.2,51,646/-. In the affidavits filed on behalf of the demerged company, the claim has been executed save and except to the extent of Rs.36,555/-. The company submits through its counsel that the bills which are sought to be relied upon by the unsecured creditor have been disputed. However, it has been stated that to the extent to which the liability has been admitted (Rs.36,555/-) a cheque for the amount shall be handed over to counsel appearing for the unsecured creditor during the course of the day. The cheque must be accepted without prejudice to the rights and contentions of the objector. In Company Petition 632 of 2006 an affidavit dated 14th March, 2007 has been filed by the Managing Director of the transferee company undertaking to fulfill all the liabilities of the Content Division of the demerged company and the transferor company and to clear all the outstanding claims subsisting at the time of the scheme of arrangement and amalgamation. The undertaking is taken on record and accepted. The objector is at liberty to pursue such remedies as are open to him in law for the redressal of his claim. There is no reason why

the relief in the nature of the claim for the sanction of the scheme should be defeated. In Company Petition 632 of 2006 there is an averment to the effect that consequent upon the scheme taking effect the net worth of the Petitioner would be approximately Rs.10.01 Crores. In view thereof, there is no reason why the implementation of the scheme should be held up on account of the objection.

5. In the circumstances, the Company Petitions will have to be allowed and are accordingly allowed. Company Petition 630 of 2006 is made absolute in terms of prayer clauses (a) to (m), save and except for the bracketed portion in prayer clause (c). Company Petition 631 of 2006 is made absolute in terms of prayer clauses (a) to (t), save and except for the bracketed portion in prayer clause (c). Company Petition 632 of 2006 is made absolute in terms of prayer clauses (a) to (r).

6. The Petitioner to pay costs of Rs.2,500/- each to the Regional Director and the Official Liquidator.

Filing and issuance of drawn up order is dispensed with.

All authorities concerned to act on an authenticated copy of this order issued by the office of this Court.